

STATE BOARD OF REGISTRATION  
FOR THE HEALING ARTS,

VS.

RESPONDENT.

## SETTLEMENT AGREEMENT

1. Licensee acknowledges that she understands the various rights and privileges afforded her by law, including the right to a hearing of the charges against Licensee; the right to appear and be represented by legal counsel; the right to have all charges against the Licensee proven upon the record by competent and substantial evidence; the right to cross examine any witnesses appearing at the hearing against Licensee; the right to present evidence on Licensee's own behalf; the right to a decision based upon the record by a fair and impartial administrative hearing commissioner concerning the charges pending against Licensee; and subsequently, the right to a disciplinary hearing before the Board at which time

evidence may be presented in mitigation of discipline. Having been provided of these rights provided Licensee by operation of Law; Licensee knowingly and voluntarily waives each and everyone of these rights and freely enters into this Agreement and agrees to abide by the terms of this document as they pertain to Licensee.

2. Licensee acknowledges that she may, at the time this Agreement is effective or within fifteen days thereafter, submit this Agreement to the Administrative Hearing Commission for determination that the facts agreed by the parties constitute grounds for discipline of Licensee's license.
3. Licensee acknowledges that she has been informed of her rights to consult legal counsel in this matter.
4. Licensee hereby waives and releases the Board, its members and any of its employees, agent's or attorneys, including any former Board members, employees, agents, and attorneys, of, or from, any liability, claims actions, causes of action, fees, costs and expenses, and compensation, including, but not limited to any claims for attorney fees and expenses, including any claims pursuant to Section 536.087 R.S.Mo., 1994, or any claim arising under 42 U.S.C. 1983, which may be based upon, arise out of, or relate to any of the matters raised in this case or this Agreement, or from the negotiation or execution of this Agreement. The parties acknowledge that this paragraph is severable from the remaining portions of this Agreement in that it survives in perpetuity even in the event that any court of law deems this Agreement, or any portion thereof, void or unenforceable.
5. The parties stipulate and agree that the order agreed by the Board and Licensee in

Part II herein is based only on the Agreement set out in Part I herein. Licensee understands that the Board may take disciplinary action against Licensee based on facts or conduct not specifically mentioned in this document that are either now known to the Board or may be discovered.

6. Licensee understands and agrees that the Missouri State Board of Registration for the Healing Arts will maintain this Agreement as an open record of the Board as required by Chapters 334, 610, 620 and 621, R.S.Mo., as amended.

I

Based upon the foregoing, Board and Licensee herein jointly stipulate to the following:

JOINT PROPOSED FINDING OF FACT

1. The Board of Healing Arts ("Board") is an agency of the State of Missouri created and established pursuant to Section 334.120 RSMo., for the purpose of executing and enforcing the provisions of Chapter 334, RSMo., Physicians and Surgeons.
2. Wadley is licensed by the Board as an osteopathic physician, license number DO110534. Wadley's license was first issued September 19<sup>th</sup>, 1997, and is now and was at all times relevant herein current and active.
3. Wadley has no formal training in diagnosis and treatment of drug addiction medicine or in pain management medicine.
4. Wadley's patient records contain no documentation indicating that she asked patients about previous use of and/or problems with controlled substances, such as habituation, tolerance, abuse, overdose, and/or suicide attempts.
5. Wadley's Community Care Clinic failed to maintain records for the receipt of controlled substances, including medication containing codeine, valium,

hydrocodone, oxycodone, and methadone. This constitutes a violation of 19CSR 30-1.048 (1) and (2).

6. Wadley's Community Care Clinic issued prescriptions for controlled substances that did not bear the address of the persons to whom the drugs were dispensed and the initials of the person who dispensed them. This constitutes a violation of 19 CSR 30-1.048 (1).
7. Wadley's Community Care Clinic dispensed controlled substances in containers that did not bear labels indicating the name and address of the dispensing practitioner, the patients name, and date of dispensing. This constitutes a violation of 19 CSR 30-1.088 (1) and Section 195.100.4 RSMo.
8. Several of Dr. Wadley's patients overdosed on the controlled substances that were prescribed by Dr. Wadley.
9. Wadley prescribed drugs in amounts far greater then recommended by the PDR. Specifically, Wadley prescribed all of the following in the amounts greater than recommended by the PDR:
  - a. OxyContin and Percocet both of which are name brand narcotics containing oxycodone. Both drugs are painkillers and are Schedule II controlled substances.
  - b. Norco, which is a brand name narcotic containing hydrocodone. Narco is a painkiller and a Schedule III controlled substance.
  - c. Xanax, which is a brand name product containing alprazolam. Xanax is an antidepressant and a Schedule IV controlled substance.
  - d. Tylenol #3, which is a name brand narcotic containing acetaminophen and

codeine. Tylenol #3 is a painkiller and a Schedule III controlled substance.

10. Wadley was prescribing other drugs to the same patients who received excessive amounts of the above-described drugs. The other drugs included:
  - a. OxvIR, which is a brand name narcotic containing oxycodone. OxyIR is a painkiller and a Schedule II controlled substance.
  - b. Anexsia and Vicodin, whihc are name brand narcotics containing hydrocodone. Anexia and Vicodin are painkillers and Schedule III controlled substances.
  - c. Dilaudid, which is a brand name narcotic containing hydromorphone hydrochloride. Dilaudid is a Schedule II painkiller, and prescribers are specifically warned that it may be habit forming.
  - d. Demerol, which is a brand name narcotic containing meperidine. Demoral is a Schedule II painkiller, and prescribers are specifically warned that it may be habit forming.
  - e. Kadian and Morphine, Kadian is an name brand narcotic containing morphine. Morphine containing products are Schedule II painkillers and may cause physical or psychological dependence.
  - f. Soma, which is a name brand muscle relaxer containing carisoprodol. Soma is available by prescription only.
  - g. Methadone, which is a painkiller commonly used in drug detoxification programs. It is a Schedule II controlled substance, and prescribers are warned that it is highly addictive.
11. None of the Methadone prescriptions were recorded on Community Care Cline's

medication log.

**JOINT PROPOSED CONCLUSIONS OF LAW**

1. Cause exists for the Board to take disciplinary action against Licensee's license under Sections 334.100.2(4)(h) and (k), 334.100.2(5) and 334.100.2(13) RSMo.

Which provide in pertinent part:

2. The Board may cause a complaint to be filed with the administrative hearing commission as provided by Chapter 621, RSMo, against any holder of any certificate of registration or authority, permit or license required by this chapter... for any one or any combination of the following causes:
  - (4) Misconduct, fraud, misrepresentation, dishonesty, unethical conduct or unprofessional conduct in the performance of the functions or duties of any profession licensed or regulated by this chapter, including, but not limited to, the following:
    - (h) Signing a blank prescription form; or dispensing, prescribing, administering or otherwise distributing any drug, controlled substance or other treatment without sufficient examination, or for other than medically accepted therapeutic or experimental or investigative purposes duly authorized by state or federal agency, or not in the course of professional practice, or not in good faith to relieve pain and suffering, or not to cure an ailment, physical infirmity or disease, except as authorized in section 334.104;
    - (k) Failing to furnish details of a patient's medical records to other

treating physicians or hospitals upon proper request; or failing to  
comply with any other law relating to medical records[.]

5. Any conduct or practice which is or might be harmful or dangerous to the mental or physical health of a patient or the public; or incompetency, gross negligence or repeated negligence in the performance of the functions or duties of any profession licensed or regulated by this chapter. For the purposes of this subdivision, "repeated negligence" means the failure, on more than one occasion, to use that degree of skill and learning ordinarily used under the same or similar circumstances by the member of the applicant's or licensee's profession[.]

(13) Violation of the drug laws or rules and regulations of this state, any other state or the federal government.

2. Licensee's conduct, as established by the forgoing facts, falls within the intendment of section 334.100.2(8), RSMo.
3. Cause exists for the Board to take disciplinary action against Licensee's license under section 334.100.2(8), RSMo.

## II

### **JOINT AGREED ORDER**

Based on the forgoing, the parties mutually agree and stipulate that the following shall constitute the order entered by the State Board of Registration for the Healing Arts in this matter under the authority of section 621.110, RSMo., 1994. This agreement will be effective immediately on the date entered and finalized by the Board.

- A. Effective the date the Board enters into the Agreement.

1. The medical license, No DO110534, issued to Licensee is hereby  
VOLUNTARILY SURRENDERED, in lieu of disciplinary action.

Licensee understands that this Agreement will be reported to the National Practitioners Data Bank, the Health Integrity and Protection Data Bank, and the Federation of State medical Boards, as an action in lieu of discipline.

2. Within ten (10) days of the effective date of this Agreement, Licensee shall return all indicia of Missouri Medical Licensure to the Board, including but not limited to, her wall hanging license and pocket card.

B. Licensee hereby waives and releases the Board, its members and any of its employees, agents, or attorneys, including former Board members, employees, agents, and attorneys, of, or from, any liability, claim, actions, causes of action, fees costs and expenses, and compensation, including but not limited to any claims for attorney fees and expenses, including any claims pursuant to Section 536.087, RSMo., or any claims arising under 42 USC Section 1983, which may be based upon, arise out of, or relate to any of the matters raised in this Agreement, or from the negotiation or execution of this Agreement. The parties acknowledge that this paragraph is severable from the remaining portions of this agreement in that it survives in perpetuity even in the event that any court of law deems this agreement or any portion thereof void or unenforceable.

C. In consideration of the forgoing, the parties consent to the termination of any further proceedings based upon the facts set forth herein.



LICENSEE

Esther E. Wadley 80 122804  
Esther E. Wadley D.O. Date

BOARD

Tina Steinman 1/5/05  
Tina Steinman Date

JEREMIAH W. (JAY) NIXON  
Attorney General

W. S. Vanderpool 1/3/05  
William S. Vanderpool Date  
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Attorneys for the Board

EFFECTIVE THIS 5 DAY OF January, 2005.